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RSPA - 98-4868-20

VIA FEDERAL EXPRESS

Dockets Unit - Room 8417
Research and Special Programs Administration
U.S. Department of Transportation
400 Seventh Street, SW
Washington, DC 20590

Gentlemen:

SUBJECT: DOCKET NO. PS-122, NOTICE 1
GAS GATHERING LINE DEFINITION
NOTICE OF PROPOSED RULEMAKING

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Shell Offshore Inc. and Shell Western E&P Inc. (both referred to as Shell), subsidiaries of Shell Oil Company, are pleased to submit comments on the notice of proposed rulemaking for gas gathering line definition. Shell has a distinguished record of safety and environmental leadership, achievement, and action. We conduct our activities with safety and environmental protection as top priorities.

We commend the Agency efforts to address the confusion that exists with the present regulations. The proposed revisions clarify **most** of the issues which have been identified in applying the existing regulations. Furthermore, we recommend the following changes to the subject notice of proposed rulemaking to enhance the regulations and provide comments to specific questions in the notice:

1. Revise 49 CFR 192.1(b)(1) to read as follows:

"Offshore production facilities (including flow lines and gathering lines); and gas processing, refining, or manufacturing facilities; **and**"

This revision will improve the scope of the regulation by making it consistent with the changes proposed by the rulemaking. The existing regulation language excludes from this part "offshore gathering of gas . . . on the outer continental shelf . . .". The words "outer **continental shelf**" create confusion in state waters which can be resolved by only referencing "**offshore.**" In addition, with the new proposed definitions for production facilities and gathering lines, the language can be simplified by utilizing those definitions.

This language also makes it clear that piping inside gas processing, refining, or manufacturing facilities is not covered by this regulation. The language is consistent with that found in 49 **CFR 195.1(b)(6)** which is the parallel regulation for transportation of hazardous liquids. Piping and equipment inside these facilities are covered by regulations issued by **OSHA**, State Oil and Gas Boards (or equivalent), EPA, **MMS**, and **USCG**.

2. Add to 49 CFR 192.3 the following definition:

"Flow line means piping which transports production from a well to a point where that production is commingled with production from one or more additional **wells** and/or to the point where produced hydrocarbons **are** first separated. Flow lines are an integral part of production **facilities**."

The addition of this definition will make it clearer for E&P operators. Flow lines are discussed in the preamble of the proposed regulation, and it **would** be appropriate to include a definition. These are generally short, multi-phase, **small** diameter lines which inherently limit the inventory available for release. They are located within the field's operating area which subjects them, **like** gathering lines, to routine surveillance.

3. Revise Item (3) under the proposed definition of **gathering** line which will be added to 49 CFR 192.3 as follows:

Remove the word shown in brackets: If there is no natural gas processing plant or point where custody of the gas is so transferred, the last point downstream where **gas** produced in the same production field or [two] adjacent production fields is commingled.

There is no apparent reason to have the word "two" preceding "adjacent fields" since it would be difficult to explain or demonstrate on a map. The definition includes "where custody of gas is transferred" which dictates the number of adjacent fields. The proposed notice also requests comments on the use of the word **"adjacent."** We **don't** see a problem with using that term in identifying the end of the gathering line.

4. Revise the proposed definition of production facility which **will be** added to 49 CFR 192.3 as follows:

Replace the words shown in brackets with the underlined words: Production facility means (1) flow lines, piping or equipment used in the production,

extraction, recovery, treatment, separation or lifting of [gas] hydrocarbons from the grsund; or (2) associated measurement, storage of petroleum liquids, field compression, gas lift, gas injection, or fuel gas systems that are used in the productionof [gas] hydrocarbons.

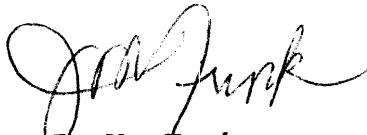
Adding flow lines to the definition of production facility will enhance the definition. Replacing the word gas with hydrocarbons enhances the definition since most wells produce a combination of gas and liquids.

5. RSPA requested comments from operators on how many miles of pipelines currently classified as gathering lines would have to be reclassified as transmission lines and subject to the reporting requirements of part 191. The proposed definition for gathering lines is very similar to the way the current definition has been interpreted and enforced for years, Since gathering lines in the E&P industry would not be subject to this reclassification, our estimate would be zero.

We have included as an attachment a diagram to assist in visualizing the existing regulation with the proposed revisions

We appreciate the opportunity to comment on these proposed regulations. Please feel free to contact Peter K. Velez, Manager Regulatory Affairs - **HS&E**, at (504) 588-6982 should you have any questions.

yours Very Truly,



J. M. Funk

pkv: **111**

Attachment

cc. **Mr. Cesar De Leon**
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